

Brett A. Perlman  
Commissioner

Rebecca Klein  
Commissioner

W. Lane Lanford  
Executive Director



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MAR 13 2002

FCC - MAILROOM

*Public Utility Commission of Texas*

March 1, 2002

William Caton  
Acting Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: Telecommunications Carriers' Use of Customer Proprietary Network Information  
and Other Customer Information, CC Docket Nos. 96-115 and 96-149

Dear Mr. Caton:

The Public Utility Commission of Texas wishes to file the attached *ex parte* comments in the above-mentioned matter, relating to the Telecommunications Carriers' Use of Customer Proprietary Network Information ("CPNI"). Enclosed are one original and four copies.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Pam Whittington".

Pam Whittington  
Division Director  
Policy Development Division  
(512) 936-7245

Number of Copies rec'd  
UN4000E

B+4

Enclosures

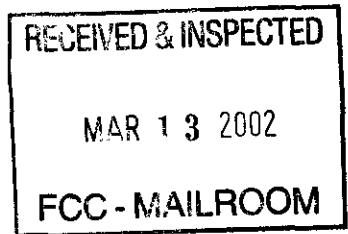
cc: Marcy Greene, Attorney Advisor, Policy and Programming Division, CCB



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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**



In the Matter of )  
Implementation of the )  
Telecommunications Act of 1996 )  
)  
Telecommunications Carriers' Use of )  
Customer Proprietary Network )  
Information and Other Customer )  
Information )  
)  
Implementation of the Non-Accounting )  
Safeguards of Sections 271 and 272 of )  
the Communications Act of 1934, As )  
Amended )  
)

CC Docket No. 96-115

CC Docket No. 96-149

**Comments of the Public Utility Commission of Texas**

On October 2, 2001, the Federal Communications Commission (FCC) released a *Clarification Order and Second Further Notice of Proposed Rulemaking (Order and FNPRM)* relating to Telecommunications Carriers' Use of Customer Proprietary Network Information (CPNI), CC Docket Nos. 96-115 and 96-149 (FCC 01-247). This proceeding was filed in response to the United States Court of Appeals for the Tenth Circuit opinion, which vacated a portion of the FCC's 1998 order addressing CPNI relating to the "opt-in" consent method. The FCC *Order* clarifies the status of its CPNI rules in light of the Tenth Circuit's decision. The *FNPRM* seeks comment on a number of issues including what method of approval a carrier must receive from customers to use CPNI to market services outside the customer's existing service relationship with the carrier. The *FNPRM* further requests commentors, when addressing the method of approval, to take into consideration the concerns raised by the Court regarding First

Amendment protections and also the requirements under Section 222(c)(1) of the Federal Telecommunications Act of 1996.

The Public Utility Commission of Texas (Texas PUC), having been given general regulatory authority over public utilities within our jurisdiction in Texas, hereby files these brief *ex parte* comments to supplement the record in this proceeding. The Texas PUC respectfully states its support of the comments filed by the National Association of Regulatory Utility Commissioners (NARUC) and by the National Association of Attorneys General (NAAG) in this proceeding. In support of these parties, the Texas PUC encourages the FCC to require carriers to seek customer approval through an “opt-in” approach prior to allowing carriers to share CPNI.

Recently, the Texas PUC opened a project to address the uses of CPNI by carriers in Texas. A copy of the notice and questions posed to carriers in this proceeding is included as Attachment A.<sup>1</sup> Interested parties were asked to file responses to questions relating to company policies and practices regarding the uses of CPNI and the processes each company intends to follow when handling customers who choose to “opt-out.” A copy of these comments is included as Attachment B.<sup>2</sup>

During the open meeting on February 21, 2002, the Texas PUC heard from representatives of companies who have chosen the “opt-out” mechanism to gain customer approval for the use of CPNI. Representatives from Southwestern Bell Telephone (SWBT), Verizon Southwest, and Valor Telecommunications provided responses to questions posed by the Texas Commissioners regarding the types of information each company is collecting and sharing with affiliated companies, how that information is

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<sup>1</sup> *Proceeding to Identify Uses of Customer Proprietary Network Information*, PUC Docket No. 25432, February 11, 2002.

being utilized for marketing purposes, corporate policies regarding CPNI and privacy, and additional information about the company's "opt-out" notice and procedures. A copy of the transcript from this proceeding is included as Attachment C.

The Texas PUC public policy goals regarding telecommunications privacy are intended to achieve a balance between the promotion of competition among telecommunications carriers and protecting a customer's right to retain control over their personal information. The Texas PUC believes the adoption of the "opt-in" methodology would ensure competition while balancing the protection of an individual's right to privacy. The Texas PUC continues to believe that prior written authorization from a customer should be required before accessing, using, or releasing that customer's CPNI. We trust this is the policy objective implicit in the language of Section 222 of the Federal Telecommunications Act of 1996, and we support the FCC in this important *FNPRM* to implement the appropriate standards to carry out this policy.

## **Conclusion**

We appreciate the opportunity to offer our comments in this proceeding. The Texas PUC has consistently supported a telecommunications customer privacy policy that allows the customer to make informed decisions regarding the use and dissemination of their CPNI. We invite the Commission to build on the analysis done by the Texas PUC and other state regulatory agencies as it considers modifications to CPNI regulation.

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<sup>2</sup> See Attachment B for a copy of comments filed in Docket No. 25432.

Respectfully submitted,

Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

March 1, 2002

A handwritten signature in cursive script, appearing to read "Brett A. Perlman", written over a horizontal line.

Brett A. Perlman  
Commissioner

A handwritten signature in cursive script, appearing to read "Rebecca Klein", written over a horizontal line.

Rebecca Klein  
Commissioner

**Attachment A**

**Proceeding to Identify the Uses of Customer Proprietary  
Network Information (CPNI),  
PUC Docket No. 25432 – Questions**

PUBLIC UTILITY COMMISSION OF TEXAS  
PROJECT NO. 25432: PROCEEDING TO IDENTIFY  
USES OF CUSTOMER PROPRIETARY NETWORK INFORMATION (CPNI)

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During the Public Utility Commission Open Meeting on February 7, 2002, the Commissioners recommended that a project be opened to address the uses of Customer Proprietary Network Information (CPNI) by telecommunications carriers. Specifically, the Commission is interested in hearing from parties who have filed CPNI Notices for Commission Staff approval under P.U.C. Subst. R.26.122(f)(3), and would like those parties to respond to the following questions by February 15, 2002. The Commission will discuss the responses filed in this project at the February 21, 2002 Open Meeting.

Interested parties, please answer the following questions regarding the CPNI Notice filed with the Commission.

- 1) In the CPNI notice that your company has mailed or intends to mail to customers, have you provided information to customers on how their CPNI will be used and with whom you intend to share that information?
- 2) What are your company's policies and practices regarding the sharing of CPNI with third parties (e.g. for telemarketing purposes or for mailings?) Please list how your company intends to utilize this information.
- 3) From a logistical standpoint, how does your company intend to handle responses by those customers choosing to "opt-out"? Please provide information on how phone calls will be handled, including the number of staff involved, and whether the company intends to offer an automated system. Also, please indicate in your response whether or not your company intends to offer customers the choice to use the Internet to "opt-out."
- 4) Is the CPNI notice offered in another language? If so, which language(s)?
- 5) Will those customers who chose to "opt-out" receive confirmation of their selection? If so, how will the customer be notified?

Interested persons may file written comments addressing these questions by submitting 16 copies to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326. All comments must be filed by February 15, 2002, and should reference Project Number 25432. Interested persons with questions about this notice may contact Tina Gabel at (512) 936-7527 or John Mason at (512) 936-7287. Hearing and speech-impaired individuals with text telephone (TTY) may contact the commission at (512) 936-7136.



**ISSUED BY THE POLICY DEVELOPMENT DIVISION  
ON BEHALF OF THE PUBLIC UTILITY COMMISSION OF TEXAS  
ON THE 8th DAY OF FEBRUARY 2002**

**Attachment B**

**Telecommunications Companies' responses to questions in  
PUC Docket No. 25432, Proceeding to Identify the Uses of  
Customer Proprietary Network Information (CPNI)**

PROJECT NO. 25432

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PROCEEDING TO IDENTIFY  
USES OF CUSTOMER  
PROPRIETARY NETWORK  
INFORMATION (CPNI)

§  
§  
§  
§

PUBLIC UTILITY COMMISSION  
FILING CLERK  
PUBLIC UTILITY  
COMMISSION  
OF TEXAS

### RESPONSE OF VERIZON SOUTHWEST

Verizon Southwest (Verizon) hereby files its response to the questions raised by Commissioner Perlman at the Public Meeting of January 31, 2001. This response has two parts: Part I discusses CPNI generally and explains that Verizon's use of CPNI benefits consumers and complies fully with the FCC's rules. Part II responds to Commissioner Perlman's specific questions.

#### I. CPNI Overview

First and foremost, Verizon is committed to protecting the information it obtains from providing services to its customers, and Verizon's use of the opt-out process does not change that commitment. For example, Verizon will not sell its customer information. Also, Verizon will not provide its customer information to any party that is not affiliated with (or an authorized agent of) Verizon unless Verizon is required to do so by law or to protect against fraud. Furthermore, Verizon will use CPNI only to the extent permitted by the FCC's rules, and Verizon believes this use of CPNI will result in significant consumer benefits.

Verizon recognizes that not all customers will want Verizon to share information as permitted by the FCC's rules, and these customers can elect to opt-out of the process. We understand that some have expressed concern with the opt-out process, *but it is important to note that the FCC adopted the out-out process after the federal court held that an opt-in approach*

*violated the First Amendment of the United States Constitution.* Here's a summary of how and why the opt-out process was adopted:

1. In 1996, the FCC opened a proceeding to determine, among other things, whether it should adopt an opt-in or opt-out approach to CPNI in implementing the Telecommunications Act of 1996.
2. The FCC received hundreds – if not thousands – of pages on this subject. Indeed, several state commissions filed comments stating that the FCC must impose an opt-in process to provide “superior protection for privacy interests.” The FCC did just that – in its *Second Report and Order* in CC Docket No. 96-115, the FCC adopted an opt-in approach “to ensure that customers’ privacy rights are protected against unknowing and unintended CPNI disclosure.” (*Id.* at para. 94.)
3. On appeal, the federal court carefully reviewed the FCC’s ruling (as well as the voluminous record the FCC claimed supported its ruling) and held that (a) CPNI constitutes “commercial speech” that is protected by the First Amendment, and (b) the FCC failed to demonstrate that its opt-in rule was narrowly tailored to directly and materially advance its interests in protecting privacy and promoting competition. The court also held that the FCC failed to adequately consider an opt-out option, and noted that such a provision is inherently less restrictive of speech. decision. *U S WEST, Inc. v. FCC*, 182 F.3d 1224 (10<sup>th</sup> Cir. 1999). In response to the court’s ruling, the FCC adopted its opt-out rule.

This summary illustrates a very important point: The current opt-out process is a careful balance of privacy and First Amendment rights, and this balance was reached after extensive review. Verizon will use the opt-out approach to benefit customers by offering more (and better) packages of services, and the marketplace will determine whether Verizon and other carriers are successful.

## **II. Verizon’s Responses**

1. **In the CPNI notice that your company has mailed or intends to mail to customers, have you provided information to customers on how their CPNI will be used and with whom you intend to share that information?**

Yes. Verizon's opt-out notice, which was filed in Docket No. 20220, clearly describes how a customer's CPNI information will be used and with whom it will be shared. A copy of the notice is attached as Attachment I.

**2. What are your company's policies and practices regarding the sharing of CPNI with third parties (e.g. for telemarketing purposes or for mailings?) Please list how your company intends to utilize this information.**

*Sharing of CPNI.* The general rule is that Verizon, its affiliates, and its authorized agents will share a customer's CPNI with persons or entities outside Verizon's family of companies only where that customer has provided explicit consent. To date, however, Verizon has not asked its customers for consent to share CPNI outside of Verizon's family of companies. The exception to this rule is that Verizon will provide CPNI to third parties where required to do so by law, e.g., where Verizon receives a valid subpoena, or to prevent fraud.

*Verizon's use of CPNI.* Under the FCC's rules, Verizon will be able to use its CPNI to identify customers who, based on typical customer profiles, would benefit from a particular product or an integrated package of different services, such as local, long distance, wireless and/or Internet access service. For example, studies have shown that customers with a second line may be using the second line for dial-up Internet access, and therefore might benefit from Verizon's Internet Access service and DSL package.

**3. From a logistical standpoint, how does your company intend to handle response by those customers choosing to "opt-out"? Please provide information on how phone calls**

**will be handled, including the number of staff involved, and whether the company intends to offer an automated system. Also, please indicate in your response whether or not your company intends to offer customers the choice to use the Internet to “opt-out.”**

Verizon uses an automated voice response system. The 1-800 number for this automated system is included in Verizon’s opt-out notice. In addition, customers may call their Verizon service representative and request that an opt-out form be mailed to them.

Verizon’s automated system is designed to handle hundreds of callers simultaneously. Verizon monitors the capacity of its system on a daily basis, and Verizon is confident that it can handle the projected load and respond quickly to any unanticipated increase in callers. Finally, Verizon is investigating the feasibility of allowing customers to opt out via the Internet, but Verizon does not currently offer this option.

**4. Is the CPNI notice offered in another language? If so, which language(s)?**

Customers can call their Verizon service representative and request that a Spanish version of the notice be mailed or faxed to them.

**5. Will those customers who chose to “opt-out” receive confirmation of their selection?**

**If so, how will the customer be notified?**

Yes, customers receive confirmation. Customers who call the voice response system and successfully complete the opt-out process are notified immediately by the voice system. A customer may also call his service representative, who can confirm that the customer’s opt-out registration has been processed.

Respectfully submitted,

VERIZON SOUTHWEST

By:

A handwritten signature in black ink, appearing to read "Charles H. Carrathers III", written over a horizontal line.

CHARLES H. CARRATHERS III

VERIZON SOUTHWEST

816 Congress Avenue, Suite 1500

Austin, Texas 78701

(512) 370-4231

Fax: (512) 370-4229

ITS ATTORNEY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Response of Verizon Southwest has been hand-delivered to the General Counsel, this 15<sup>th</sup> day of February, 2002.

Simona A. Boren



### **Customer Proprietary Network Information Special Notice**

Under Federal Law, you have the right to, and we have the duty to protect the confidentiality of your customer information. This information includes where, when, and to whom a customer places a call, as well as the type, technical arrangement, and quantity of telecommunications services you receive. Your customer information also includes how you use those services and the related billing for these services.

**We may use this information, without further authorization by you, to offer you (i) services of the type you already purchase from us and (ii) the full range of products and services available from Verizon and its affiliates that may be different from the type of services you currently buy from us.** In addition to local telephone services, Verizon and Verizon affiliate services include long distance (where authorized), wireless, and Internet services. A more complete description of our companies and service offerings is available at [www.verizon.com](http://www.verizon.com). Use of your information as described in this notice will permit us to offer you a package of services tailored to your specific needs. Without further authorization by you, we may also share your information with Verizon affiliates with whom you already have an existing service relationship.

No action by you is necessary to permit us to use your information as described in this notice. **If you wish to restrict Verizon or Verizon affiliate use of your information to offer services different from the type of services you currently buy from us, please register your restriction by calling us at 866-554-5055 within 30 days of**

*(continued)*

receipt of this notice. If you do not register your restriction within 30 days, we can use your customer information to offer you products and services you do not currently purchase from us that you may find valuable. You may also call this number at any time after the initial 30 day period to restrict the use of your customer information. You may change your decision at any time and your decision will remain valid until you tell us otherwise. There is no charge for electing to restrict your information. Restricting your information will not affect the products you currently receive from Verizon and may not eliminate all marketing contacts. Even if you restrict the use of your information, it may be used to market services to you when you call us to inquire about such services. "Whatever you decide will not affect our provision of service to you". If you have any questions, please call your service representative or account manager.

Verizon, its affiliates, and authorized agents will not sell, trade, or share your service and usage records with anyone outside of Verizon or others authorized to represent us to offer products and services, except as permitted or required by law.



### **Customer Proprietary Network Information Special Notice**

Under Federal Law, you have the right to, and we have the duty to protect the confidentiality of your customer information. This information includes where, when, and to whom a customer places a call, as well as the type, technical arrangement, and quantity of telecommunications services you receive. Your customer information also includes how you use those services and the related billing for these services.

**We may use this information, without further authorization by you,** to offer you (i) services of the type you already purchase from us and (ii) the full range of products and services available from Verizon and its affiliates that may be different from the type of services you currently buy from us. In addition to local telephone services, Verizon and Verizon affiliate services include long distance (where authorized), wireless, and Internet services. A more complete description of our companies and service offerings is available at [www.verizon.com](http://www.verizon.com). Use of your information as described in this notice will permit us to offer you a package of services tailored to your specific needs. Without further authorization by you, we may also share your information with Verizon affiliates with whom you already have an existing service relationship.

No action by you is necessary to permit us to use your information as described in this notice. **If you wish to restrict Verizon or Verizon affiliate use of your information to offer services different from the type of services you currently buy from us, please register your restriction by calling us at 866-483-9700 within 30 days**

*(continued)*

**of receipt of this notice. If you do not register your restriction within 30 days, we can use your customer information to offer you products and services you do not currently purchase from us that you may find valuable. You may also call this number at any time after the initial 30 day period to restrict the use of your customer information. You may change your decision at any time and your decision will remain valid until you tell us otherwise. There is no charge for electing to restrict your information. Restricting your information will not affect the products you currently receive from Verizon and may not eliminate all marketing contacts. Even if you restrict the use of your information, it may be used to market services to you when you call us to inquire about such services. "Whatever you decide will not affect our provision of service to you". If you have any questions, please call your service representative or account manager.**

Verizon, its affiliates, and authorized agents will not sell, trade, or share your service and usage records with anyone outside of Verizon or others authorized to represent us to offer products and services, except as permitted or required by law.

TX-011-02M

SWB  
February 15, 2002

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**PROJECT NO. 25432**

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PUBLIC UTILITY COMMISSION  
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**PUC PROCEEDING TO IDENTIFY                    §            PUBLIC UTILITY COMMISSION  
USES OF CUSTOMER PROPRIETARY           §  
NETWORK INFORMATION (CPNI)            §                    OF TEXAS**

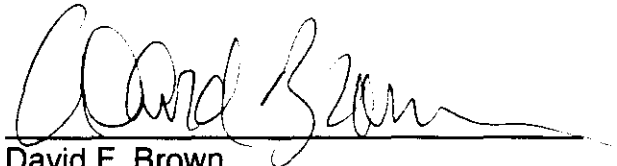
**SOUTHWESTERN BELL TELEPHONE, L.P., D/B/A  
SOUTHWESTERN BELL TELEPHONE COMPANY'S  
RESPONSES TO COMMISSION QUESTIONS**

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- Q3. From a logistical standpoint, how does your company intend to handle responses by those customers choosing to “opt-out”? Please provide information on how phone calls will be handled, including the number of staff involved, and whether the company intends to offer an automated system. Also, please indicate in your response whether or not your company intends to offer customer the choice to use the Internet to “opt-out.”
- A. Southwestern Bell Telephone Company has set up a user-friendly toll-free IVR system, in both English and Spanish, to handle customers’ “opt-out” requests. As of February 13, 2002, 20,291 customers have called to “opt-out.” In case customers try to call a number other than the one published in the CPNI notification, all customer-contact personnel have been trained to take the “opt-out” requests. Given the user-friendly and toll-free nature of Southwestern Bell Telephone Company’s IVR system, there are no plans for an Internet system.
- Q4. Is the CPNI notice offered in another language? If so, which language(s)?
- A. Yes. The entire notice is available to customers in Spanish by request, as is indicated at the end of Southwestern Bell Telephone Company’s notification.
- Q5. Will those customers who chose to “opt-out” receive confirmation of their selection? If so, how will the customer be notified?
- A. Yes. The IVR system confirms the telephone number and acceptance of opt-out requests.

Respectfully submitted,

ANN E. MEULEMAN  
General Counsel-Austin

A handwritten signature in cursive script, appearing to read "David F. Brown", written over a horizontal line.

David F. Brown  
General Attorney  
State Bar No. 03108700

ATTORNEYS FOR SOUTHWESTERN  
BELL TELEPHONE COMPANY  
1616 Guadalupe Street, Room 600  
Austin, Texas 78701-1298  
Telephone: (512) 870-5706  
Facsimile: (512) 870-3420

## ATTACHMENT A

Account Number  
512-372-  
December 09, 2001



Page **5** of 12

**For Your Information**  
(Continued)

SBC Southwestern Bell, its affiliates and authorized agents are changing the way we offer you products and services. Customer information includes where, when and to whom a customer places a call, as well as the types of telecommunications services to which the customer subscribes and the extent to which the service is used. Your customer information also includes how you use those services and the related billing of those services. For example, we would use your customer information to advise you of products that may be of interest to you, like DSL with Internet or long distance, even if you do not currently have any services from those SBC affiliates. If these uses of your customer information is acceptable, then no further action on your part is required.

Protecting the privacy of your service and usage records is your right and our duty under federal law. We are required to inform you that you can direct us not to use any of the information about the services you receive from SBC Southwestern Bell, SBC long distance company or other SBC telecommunication provider affiliates to offer additional products and services to you. **If you do not want us to use any of this service and usage information to offer products and services, please call 1-800-315-8303 and follow the prompts within 30 days of receiving this notice. If you do not restrict our use of your customer information by calling the 1-800-315-8303, we can use your customer information to offer you products and services that you may find valuable based on your existing services.** You may call this number at any time after the 30 day period to restrict the use of your customer information. There is no charge for electing to restrict your information. Restricting your information will not affect the products you currently have from SBC Southwestern Bell and may not eliminate all marketing contacts. Even if you restrict the use of your information, it may be used to market services to you when you call us. Your election is valid until you affirmatively revoke or limit it.

SBC Southwestern Bell, its affiliates and authorized agents will not sell, trade or share your customer information with anyone outside of Southwestern Bell, the SBC family of companies, or others authorized to represent us to offer products and services, except as authorized by law. The employees and management of all the SBC family of companies would like to take this opportunity to thank you for your continued business. We are proud to carry on our long tradition of providing our community with reliable, technologically advanced and affordable telecommunication services.

A Spanish language version of this bill message can be obtained upon request by calling 800-499-7928. UNA VERSION DE ESTE MENSAJE ESTA A SU DISPOSICION EN ESPANOL LLAMANDO AL 800-499-7928.

SWBell Telephone  
Billing Questions:  
1-800-585-7928

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PROJECT NO.25432

PROCEEDING TO IDENTIFY USES OF §  
CUSTOMER PROPRIETARY NETWORK §  
INFORMATION (CPNI) §

RECEIVED  
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PUBLIC UTILITY  
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COMMISSION OF TEXAS

**RESPONSES OF VALOR TELECOMMUNICATIONS TO QUESTIONS POSED BY THE  
PUBLIC UTILITY COMMISSION**

- 1) In the CPNI notice that your company has mailed or intends to mail to customers, have you provided information to customers on how their CPNI will be used and with whom you intend to share that information?

**Answer:** Yes. The Valor notice makes clear that Valor will not be sharing CPNI with unaffiliated third parties other than as required by law. In fact, Valor's ILEC, does not share CPNI with Valor's long distance affiliate or with Valor's ISP affiliate. Valor does provide targeted mailing lists of ILEC customers to our Long Distance and ISP affiliates. Those lists contain no CPNI. Valor does permit its outside telemarketing firm to have access to some CPNI information. The telemarketing firm only uses the CPNI in providing services to Valor customers on behalf of Valor's ILEC. The CPNI notice tells the customer that use of the CPNI will better enable Valor to provide the customer with new services and products as they become available. The notice was filed in Project No. 20220 and is attached as Attachment 1.

- 2) What are your company's policies and practices regarding the sharing of CPNI with third parties (e.g. for telemarketing purposes or for mailings? Please list how your company intends to utilize this information.

**Answer:** Valor takes very seriously the privacy concerns of its customers and will not release customer specific CPNI to unaffiliated third parties except where required to do so by law. Information such as the number and type of products and services a customer has on their

line(s), when the account shows the last service order having been completed, how long the customer has been with Valor, and what was bought in the last marketing campaign is used for targeting direct mail by Valor or Valor Affiliates. This allows Valor to minimize the amount of marketing mail a customer receives yet makes certain that customers are made of aware of new products and services that may be of interest to them, especially those customers who have not had features such as Caller-ID and other CLASS features available in their areas in the past. Outbound telemarketing lists used by Valor and our telemarketing agents are often derived from products and services a customer has on their line(s) and similar account information as is used for direct mail lists. The outbound telemarketing list filters out any "do not call" and "no telemarketing" customers and both the telemarketing and direct mail lists filter CPNI "opt-out" requests. The use of CPNI in outbound telemarketing campaigns allows Valor and its telemarketing agents to contact customers only about products and services that might be of real interest to the customer and eliminates calls to customers who likely would have no interest in the products. The number of marketing calls a customer receives from Valor is minimized in this way. Valor also uses CPNI information in order to sell products and services to customers who call in to our telemarketing firm or to our call centers. On inbound calls to Valor's telemarketing firm all service reps advise the customer that they will be accessing the customer's account information in an effort to assist the customer. The actual script used by the telemarketing firm's reps is as follows:

Thank you for calling VALOR Telecom. This is \_\_\_\_\_. How may I help you with VALOR Telecom services today? To better assist you I will need to access your account, could you verify your name and phone number? Is VALOR your local telephone company? (If yes – continue \* - if no end call)

A customer who calls Valor's call centers for any purpose, including a call to "opt-out", is greeted with the following by the customer service rep that answers the call.

The following Opening Statement is mandatory for all Valor Customer Service Reps.

***“Thank you for calling Valor Telecom.”***

***My name is \_\_\_\_\_ and my operator number is \_\_\_\_\_.”***

***“May I have the telephone number you are calling about, area code first please?”***

---

The following statement is mandatory for all Valor Customer Service Representatives prior to proceeding with the call.

***“May I have permission to access your account?”***

Valor believes that it has struck the appropriate balance between maintaining confidentiality of customer CPNI, minimizing marketing contacts with our customers and letting our customers know about new services they did not previously have available to them.

- 3) From a logistical standpoint, how does your company intend to handle responses by those customers choosing to “opt-out”? Please provide information on how phone calls will be handled, including the number of staff involved, and whether the company intends to offer an automated system. Also, please indicate in your response whether or not your company intends to offer customers the choice to use the Internet to “opt-out”.

**Answer:** The toll free number that appears in Valor’s CPNI customer notice reaches Valor’s telemarketing firm. The telemarketing firm used by Valor has 5 representatives dedicated to this particular line and has all representatives trained on CPNI. The number is staffed from 7 AM to 8 PM central time and there is a voice mail system that takes after hours messages. Those calls are returned on the next business day. If a customer calls in to either of Valor’s call centers and wishes to “opt-out”, any of our customer service reps can assist the customer. Whether the customer calls Valor’s customer service call centers or Valor’s telemarketing firm wanting to “opt-out”, the ASOC CPNI is put on the customer’s account in our Customer

Contact System (CCS) to indicate that the customer does not want us to use their CPNI. In the *Blocks, Restrictions and Screening* section of the customer's account in CCS there will be a notation that reads "*CPNI Notice*". When a customer service rep accesses the customer's account, the rep will see the notation. As an added step, our telemarketing firm notes a "NTEM" code on their own records for the account so that they know not to place outbound telemarketing calls to this customer. NTEM stands for "no telemarketing." The CPNI ASOC is "filtered" out of list pulls for any telemarketing outbound or direct mail campaign.

Valor's web site is not interactive at this time and we do not have current plans to make it interactive. Also, at this time Valor does not have plans to offer an automated voice response system for customers to use in notifying us of their decision to "opt-out".

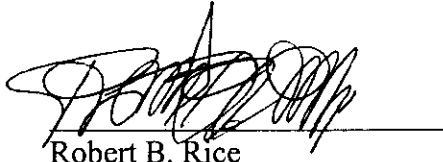
- 4) Is the CPNI notice offered in another language? If so, which language(s)?

**Answer:** Valor does not send the CPNI notice in a language other than English.

- 5) Will those customers who chose to "opt-out" receive confirmation of their selection? If so, how will the customer be notified?

**Answer:** No form of confirmation is sent by Valor to customers who exercise their right to "opt-out". Customers are advised by the rep taking the "opt-out" call that their account has been coded to indicate that the customer's CPNI is not to be used.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert B. Rice", is written over a horizontal line.

Robert B. Rice

Regulatory Director & Chief Counsel - Texas

Valor Telecom

400 W. 15<sup>th</sup> Street

Suite 440

Austin, TX 78701

(512) 457-9949

(512) 457-9991 (fax)

SBN: 16833900

**Attachment 1**

**CUSTOMER PROPRIETARY NETWORK INFORMATION NOTICE**

Federal law and regulations require Valor to receive your permission to use customer proprietary network information (CPNI) in efforts that Valor may undertake to market Valor's products or services to you. CPNI includes where, when, and to whom a customer places a call, as well as information about the quantity, types, usage, or configuration of telecommunications services you purchase from Valor, and the amount you spend on telecommunications services. You have the right to ensure the confidentiality of your CPNI.

Valor requests permission to use your CPNI in order to more effectively meet your telecommunications needs. Valor intends to contact you in order to advise you of new services, pricing alternatives or special offers that Valor believes may interest you based on the telecommunications services you currently purchase.

**If you agree to give Valor permission to use your CPNI, you do not need to take any further action.**

**If you do not agree to give Valor Permission to use your CPNI as described above, please contact Valor at 1-866-578-2567 within the next 30 days. If you do not restrict our use of your CPNI by calling our toll free number within 30 days of this notice, we can use your CPNI to offer you products and services that we believe may interest you. You may also call this number at any time after the initial 30 day period to restrict the use of your CPNI. If you decide not to allow Valor permission to use your CPNI, this will not affect the provision of services currently provided by Valor to you, nor will there be any charge to you for restricting the use of your CPNI. Even if you restrict the use of your CPNI, this may not eliminate all marketing contacts from us, and we may use your CPNI to market services to you when you call us to inquire about such services. Valor will use your CPNI as described above, or comply with your request to not use your CPNI, until you contact Valor and ask that your CPNI election be changed.**

Valor, its affiliates and authorized agents will not sell, trade, or share your CPNI with anyone outside of Valor or others authorized to represent us to offer products and services, except as authorized by law.